

P 232244Z JAN 07
FM SECSTATE WASHDC
TO AMEMBASSY BEIJING PRIORITY
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE PRIORITY
AMEMBASSY ISLAMABAD PRIORITY

S E C R E T STATE 008579

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TAGS: [PARM](#) [PREL](#) [ETTC](#) [MTCRE](#) [KSCA](#) [CH](#) [PK](#) [IR](#)

SUBJECT: REQUESTING PRC INVESTIGATE MISSILE-RELATED
PROCUREMENT EFFORTS IN CHINA BY PAKISTAN AND IRAN (S)

REF: A. 06 STATE 39514

[1](#)B. 06 BEIJING 004671

Classified By: ISN/MTR DIRECTOR PAM DURHAM;
REASONS 1.4 (B), (D), AND (H).

[1](#)1. (U) This is an action request. Embassy Beijing please see paragraph 4.

[1](#)2. (S) Background and Purpose/Objective: In March 2006, the U.S. provided PRC officials with information indicating that a Chinese firm was working to supply a ring rolling machine to Pakistan's missile program (Ref A). Although not controlled by the Missile Technology Control Regime (MTCR), ring rolling machines can be used to make stiffener rings for ballistic missile airframes and in the production of solid rocket motor cases. We now want to advise China that as of late August 2006, Pakistan's missile program had provided a false end-user statement to the Chinese supplier indicating that the ring-rolling machine would be used to manufacture containers for sugar and cement. We want to provide this latest information to PRC authorities in order to support their ongoing investigation of this activity and ask that they closely scrutinize all exports by the Chinese firm to Pakistan so that it does not assist, even inadvertently, missile programs of concern.

[1](#)3. (S) In a separate matter, we want to inform the PRC that as of December 2006, a company in China was working to fill an order for specialty steel for Iran's solid fueled ballistic missile developer, the Shahid Bakeri Industrial Group (SBIG). This steel, known as AISI 4130, is an uncontrolled chromium molybdenum steel suitable for use as a structural material for solid rocket motor cases. Because SBIG is heavily reliant on this material to sustain its missile development efforts, we want to ask Chinese authorities to investigate this activity and utilize all appropriate measures - including the PRC's catch-all controls - to prevent this steel from being supplied to Iran's missile program.

[1](#)4. (S) Action Request: Department requests Embassy Beijing approach appropriate host government officials to deliver talking points in paragraph 5 and report response. Talking points also may be provided as a non-paper.

[1](#)5. (S) Begin talking points/non-paper:

(Secret Rel China)

-- In the spirit of nonproliferation cooperation, we would like to raise with you two issues of proliferation concern and request your assistance in investigating these activities.

-- First, in March 2006, the U.S. provided you with information that the Chinese firm Jinan JFMMRI Metal Forming Machinery Engineering Company, Ltd. (JFMMRI) was working to supply Pakistan's Heavy Mechanical Complex (HMC) with a ring rolling machine in October 2005.

-- We brought this transaction to your attention because we believe this ring-rolling machine is intended for use in

Pakistan's missile program.

-- Although not controlled by the Missile Technology Control Regime (MTCR), a ring rolling machine can be used to make stiffener rings for ballistic missile airframes. It can also be used in conjunction with a flow forming machine in the production of solid rocket motor cases.

-- We now want to advise you that as of late August 2006, HMC was continuing its efforts to procure this equipment from China. We understand that JFMMRI received from HMC a false end-user statement indicating that the ring rolling machine would be used to manufacture containers for sugar and cement.

-- As we discussed in March 2006, we believe HMC is acting on behalf of Pakistan's ballistic missile program.

-- Given the missile-related utility of this machine and HMC's apparent willingness to evade China's export controls to procure this equipment, we urge you to use this information to support your ongoing investigation of this activity. We also ask that you closely scrutinize all exports by JFMMRI to Pakistan to ensure that Chinese firms are not assisting Pakistan's missile development efforts.

-- Second, the U.S. has learned that as of December 2006, the China North Wanxing International Corporation was working to fill an order for 300 tons of heat-treated, type AISI 4130 steel plates in response to a request from an Iranian customer.

-- China North Wanxing International Corporation was planning to ship this steel to Iran through the port of Tianjin approximately two months after the establishment of a letter of credit for this transaction.

-- We believe China North Wanxing International Corporation is seeking this steel on behalf of Iran's solid fuelled ballistic missile developer, the Shahid Bakeri Industrial Group (SBIG). This transaction is being coordinated through Kazem Mirzai, Iran's Ministry of Defense and Armed Forces Logistics (MODAFL) representative in Beijing.

-- AISI 4130 is a chromium molybdenum steel that is also known as DIN 1.7218 and sometimes referred to as type 25CrMo4. Although not controlled by the MTCR Annex or China's missile technology control list, AISI 4130 is suitable for use as a structural material for solid rocket motor cases.

-- We understand that SBIG is heavily reliant on AISI 4130 steel to sustain its missile development efforts.

-- We hope you will use this information to investigate this activity and we ask that you utilize all appropriate measures - including your catch-all controls - to prevent China North Wanxing International Corporation from supplying this steel to Iran's missile program.

-- Such action would be consistent with United Nations Security Council Resolutions 1737 and 1696.

-- We would appreciate hearing the results of the actions your government takes in both of these cases and look forward to future cooperation on nonproliferation issues.

END TALKING POINTS.

16. (U) Washington POC is ISN/MTR James Mayes (Phone: 202-647-3185). Please slug reporting on this or other missile nonproliferation issues for ISN/MTR and EAP/CM.

17. (U) A word version of this document will be posted at www.state.sgov.gov/demarche in the "MTAG - EAP" folder.
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End Cable Text